



June 24, 2005

To: Landowners, Occupants, Agencies and Interested Parties

RE: Fort Chipewyan Power Plant Rebuild Project Information

ATCO Electric is planning to replace the power plant in Fort Chipewyan with a new plant at a new location. Fact sheets and other information are enclosed. We plan to finalize the site location by August in order to apply to the Alberta Energy and Utilities Board and other agencies in early September 2005. Site development is planned to start in 2006 for completion of the new plant in 2007.

The enclosed information is being sent to agencies, landholders and other potentially interested parties. We welcome your input for the selection of a new site. We ask that you review the information, and contact us if you have any comments, questions or concerns.

A "reply-by-fax" form is included for your convenience.

Yours truly,

< *Original signed by* >

JIM CRINKLAW

Engineering and Construction

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Toll-free 1-866-600-0022 • Web Site www.atcoelectric.com

Attached: Fact sheets (#1 through #4)

Reply-by-fax form

Dwg. P-01, regional map

Dwg. P-02, preliminary site areas map

Dwg. P-03, existing plant photo, and new plant layout



REPLY BY FAX

DATE: _____

FAX TO: Jim Crinklaw, ATCO Electric, Fax No. 780-420-8017

PROJECT: Fort Chipewyan New Power Plant

Do you have any facilities in the area that may be affected by this project?

No. Yes, and they are as follows:

Do you have any concerns about the project or with the location the proposed power facilities?

No. Yes, and they are as follows:

Is there anyone else we should be contacting about this project?

No. Yes, and they are as follows:

Do you have any other comments or questions?

No. Yes, and they are as follows:

If we have any errors in your name and address, please provide corrections.

Sent By: Name _____

Agency/Company Name _____

Address _____

Phone No.: _____ Fax No.: _____

E-mail/Other: _____

Project Fact Sheet #1 - Overview

Why a New Power Plant is Needed

- The existing Fort Chipewyan power plant in E½ 17-112-7-W4M needs to be moved to allow clean-up of contaminated soil from past releases of diesel and oil.
- The plant needs to be rebuilt to install measures to prevent future releases.
- The community has grown near the existing plant; this may be an opportunity to move the plant further away, to better separate the community from noise and emissions.
- A new site will better allow for future expansion.

New Power Plant Details

- Four generating units, about 1100 kilowatts (kW) each, plus a 1000 kW standby unit.
- Tank farm with about 12 storage tanks to hold about 2.8 million litres of diesel fuel (1½ year supply).
- Separate buildings for the main powerhouse (three generating units), the fourth and standby units, the main building (offices/storage/work bays), and fuel offloading.
- Fenced enclosure of about 100 by 140 metres, on a 170 by 200 m site (3.4 ha, or 8.4 acres).
- Environmental protection measures include full secondary containment to hold fluid spills, double-walled tanks and piping, and pump and valve systems to prevent overflows.
- *A new power line from the new plant to the existing site may be required.*

Preliminary Schedule

- Data-gathering, community consultation for site selection May to Aug. 2005
- Regulatory applications / approvals Sept. 2005 / Jan. 2006
- Start delivery of heavy equipment and material Jan. 2006
- Start site development June 2006
- Install new plant buildings and generating units Dec. 2006 to Apr. 2007
- New plant completed May 2007
- Remove old plant, remediate / clean up old site 2007

Schedule and design details may change as the project advances. Final location and designs are subject to approval by regulators such as the Energy and Utilities Board and Alberta Environment.

Community Involvement

- ATCO will consult and collaborate with the community throughout the project.
- Open houses will be held at preliminary and options stages to help select the best location.
- Local labour, contractors and suppliers will be engaged wherever practical.

Who To Contact

- Jim Crinklaw, phone 780-420-7183, fax 780-420-8017, about the new power plant.
- Greg Walker, phone 780-420-7609, fax 780-420-3555, about remediation of existing sites.
- Mailing address: ATCO Electric, 10035 – 105 Street, Edmonton, Alberta, T5J 2V6
- Toll-free number: 1-866-600-0022.

Project Fact Sheet #2 – Local Benefits

LOCAL BENEFITS OF POWER PLANT REPLACEMENT

- Continued reliability of the local power supply, with better capability for expansion.
- Opportunity to separate the community from plant noise and emissions.
- Clean-up and reclamation of existing plant site to current environmental standards.
- Installation of environmental measures to prevent future releases of diesel and lube oil.
- Opportunities for local qualified labour, contractors and suppliers during installation.

Typical Construction Activities

Site Preparation

- Site clearing
- Site excavation, grading and gravelling
- Fencing (chain-link)

Concrete Foundations

- Pilings
- Slabs
- Cableways
- Containment dykes

Buildings

- Powerhouse/gen-set buildings
- Auxiliary equipment
- Office and warehouse

Mechanical Equipment

- Equipment assembly/erection (pre-manufactured modules)
- HVAC (part of buildings)
- Misc. welding

Electrical

- Interconnection wiring (control, high voltage, and station service)

Miscellaneous

- Metal walkways

ATCO Electric will be the general contractor.

Typical Construction Subcontracts / Workers

- Site clearing equipment and labour
- Site grading equipment and operators – cats, backhoes, bobcats
- Gravel supply, hauling and spreading
- Concrete foundation contractors
- Fencers
- Welders
- Pipefitters
- Electricians / Electrical contracting
- Line journeyman and construction crews
- Health and safety services
- Accommodation and meals

Typical Equipment for Remediation

- Cat D6M c/w six-way dozer and winch; or Cat D5H c/w six-way dozer and winch
- Cat 84 inch padfoot packer
- Trucks (to be equipped with tarps to haul contaminated soil)
 - Regular dump truck (body job) c/w pup, or
 - Tractor and tandem axle end dump, or
 - Tractor and tri-axle end dump.

Number of trucks would vary depending on method selected. The minimum would be two or three and the maximum fifteen or more.

ATCO would bring in the site supervisor and a track hoe c/w operator.

Contacts (Toll-free 1-866-600-0022)

- Albert Lai, phone 780-420-7619, fax 780-420-8017, about plant construction opportunities.
- Greg Walker, phone 780-420-7609, fax 780-420-3555, about remediation of existing sites.
- Mailing address: ATCO Electric, 10035 – 105 Street, Edmonton, Alberta, T5J 2V6

Project Fact Sheet #3 – Site Options

ATCO Electric is seeking a new site for the power plant that supplies the community of Fort Chipewyan. The existing 4.7 megawatt diesel-fuelled plant has to be moved to allow clean-up of contaminated soil. The new site would be about 140 by 200 metres with enough room for new plant facilities (various buildings and a fuel tank farm) within a 100 by 140-metre fenced enclosure, and room outside the fence for buffers and property setbacks, future expansion and outgoing power lines. Final dimensions may change.

Location and Site Criteria

The new site must meet certain technical, economic, environmental and land use criteria.

The ideal **site** includes:

- Level topography and well-drained soils.
- Sufficient area for present development and possible expansion.
- Adequate setbacks from sensitive environmental, cultural and land use features such as water bodies, residences, and scenic or historic areas, and from conflicting facilities such as roads, utilities, communication facilities and other commercial, industrial or service developments.

The ideal **location**:

- Has good road access for daily operations and annual fuel delivery.
- Is close to the existing power distribution lines that serve the community from the plant.
- Is reasonably close to the loads, for a shorter and more reliable connection to the customers.

Site Options

Based on preliminary data, including valuable information obtained in meetings with community leaders and at a June 8 open house, ATCO has selected several possible site areas as shown on map P-02.

- **Area A** has several accessible sites on good ground near the airport, about 5 kilometres from town.
- **Area B** is near the junction of the Airport and Dore Lake Roads about 4 kilometres from town. Sites in this area may have somewhat rocky and uneven topography.
- **Area C** and **Area D** are on the Allison Bay reserve, on either side of the old landfill site. Area C is within 4 kilometres of town, and Area D is within 5 kilometres. Both sites may have somewhat limited areas of good ground.
- **Area E** is east of the new landfill site 5 kilometres from town. Site conditions look good provided drainage is adequate, although a site at the east end could be within 100 metres of Beaver Lake.
- **Area F** is about 400 metres south of the existing plant, for easy utility extensions from the existing site. However, level ground is somewhat limited and the site is within 400 metres of residential areas.

Selection Process

Final site selection will be based on information obtained through further studies and consultations, prior to submission of the proposed site for approval by regulatory agencies. Other locations may be considered. **If you have any questions, comments or concerns, please contact us.**

Contact: Jim Crinklaw, phone 780-420-7183, toll-free number 1-866-600-0022, fax 780-420-8017.
ATCO Electric, 10035 – 105 Street, Edmonton, Alberta, T5J 2V6

Project Fact Sheet #4 – Environment

ATCO Electric plans to rebuild the power plant at Fort Chipewyan to install measures that will protect the environment from potential releases of industrial fluids, and to permit clean-up of contaminated soil at the existing site. ATCO will try to minimize environmental impacts of the new plant by locating away from environmentally and culturally sensitive areas.

The footprint of the new plant will be about 100 by 140 metres. The new plant will include 5 diesel-fuelled generating units with installed capacity of about 5 megawatts. The site will have storage tanks for about 2.8 million litres of diesel fuel, and for much smaller quantities of glycol/water coolant, lube oil, and sewage and potable water (if town services are not available). Final details may change.

Land and Water Protection

Site preparation, construction, and future reclamation will all be carried out in accordance with applicable regulations, approvals and lease conditions. The plant will have features to reduce the risk of releases of diesel, oil and coolant, including secondary containment, a separate fuel-offloading building, double-walled tanks and pipes, top-feed fuel draw systems, and monitoring systems.

Air and Noise Control

Diesel-fuelled power plants emit products of combustion into the atmosphere similar to diesel-powered motor vehicles. Emission components include oxides of nitrogen (NO_x), sulphur dioxide (SO₂) (significantly reduced due to the low sulphur content of the diesel fuel), carbon monoxide (CO), unburned hydrocarbons, and water vapour. Emission levels will be within provincial guidelines and any limits specified in an approval issued by Alberta Environment.

Significant noise and traffic is generally limited to the construction activities, including rigs and heavy equipment for site preparation, material/equipment delivery and installation. During long-term operation, the facilities require daily light traffic, and occasional access by heavy vehicles for larger repairs and fuel delivery. The new plant will be designed to be a few decibels quieter than the existing plant, with noise controls such as hospital grade exhaust silencers with spark arrestors, sound absorption materials in the intake and exhaust fan openings, double insulated walls, double glazing and double doors.

Approvals

The new power plant is of a class that does not require an environmental impact assessment report. It will require approvals under the Alberta *Environmental Protection and Enhancement Act* and the *Hydro and Electric Energy Act*. Federal approvals will apply if the plant is located on the Indian Reserve. ATCO will apply to the appropriate agencies for all required approvals and permits.

Clean-up of Existing Plant Site

ATCO plans to remediate the soil and groundwater to the residential standard using the applicable Alberta Environment guidelines. Soil and groundwater sampling will be done during the remediation to ensure all contaminated material is removed and that the backfill material is clean. The results from the clean up will be sent to Alberta Environment for review, approval and issuance of a comfort letter.

Contact: Jim Crinklaw, phone 780-420-7183, toll-free number 1-866-600-0022, fax 780-420-8017.
ATCO Electric, 10035 – 105 Street, Edmonton, Alberta, T5J 2V6